



## **DEPARTMENT OF LABOR**

### **Employment and Training Administration**

#### **Revised Methodology for Selecting Job Corps Centers for Closure: Comments Request**

**AGENCY:** Office of Job Corps, Employment and Training Administration (ETA), Labor.

**ACTION:** Notice

**SUMMARY:** The Employment and Training Administration (ETA) of the U.S. Department of Labor (Department or DOL) issues this notice to propose a Revised Methodology for Selecting Job Corps Centers for Closure. The Office of Job Corps in ETA published a proposed methodology for selecting centers for closure at 78 FR 2284 on January 10, 2013. We received a total of eighteen (18) public comments in response to this proposal. After analyzing the comments, the Department has decided to adjust the weights given to the various factors. Additionally, the Department is proposing to adjust the methodology to use the performance period of Program Year (PY) 2008 through PY 2012 instead of PY 2007 through PY 2011 as was proposed in the January 10, 2013 Federal Register Notice. The Department is also proposing additional considerations that we will include in the closure methodology. This revised methodology would be used to select centers for closure. The Department requests public comment on the revised methodology, as outlined in this notice.

**DATES:** To be ensured consideration, comments must be submitted in writing on or before [INSERT DATE 20 DAYS FROM THE DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** You may submit comments, identified by Docket Number ETA-2014-0001, by only one of the following methods:

Federal e-Rulemaking Portal: <http://www.regulations.gov>. Follow the Web site instructions for submitting comments.

Mail and hand delivery/courier: Submit comments to Lenita Jacobs-Simmons, Acting National Director, Office of Job Corps (OJC), U.S. Department of Labor, Employment and Training Administration, 200 Constitution Avenue, NW, Room N- 4459, Washington, DC 20210. Due to security-related concerns, there may be a significant delay in the receipt of submissions by United States Mail. You must take this into consideration when preparing to meet the deadline for submitting comments. The Department will post all comments received on <http://www.regulations.gov> without making any changes to the comments or redacting any information, including any personal information provided. The <http://www.regulations.gov> Web site is the Federal e-rulemaking portal and all comments posted there are available and accessible to the public. The Department recommends that commenters not include personal information such as Social Security Numbers, personal addresses, telephone numbers, and e-mail addresses that they do not want made public in their comments as such submitted information will be available to the public via the <http://www.regulations.gov> Web site. Comments submitted through <http://www.regulations.gov> will not include the e-mail address of the commenter unless

the commenter chooses to include that information as part of his or her comment. It is the responsibility of the commenter to safeguard personal information.

Instructions: All submissions received should include the Docket Number for the notice:

Docket Number ETA-2014-0001. Please submit your comments by only one method. Again, please note that due to security concerns, postal mail delivery in Washington, D.C. may be delayed. Therefore, the Department encourages the public to submit comments on <http://www.regulations.gov>.

Docket: All comments on this proposal for a methodology to select centers for closure will be available on the <http://www.regulations.gov> Web site. The Department also will make all of the comments it receives available for public inspection by appointment during normal business hours at the above address. If you need assistance to review the comments, the Department will provide appropriate aids such as readers or print magnifiers. The Department will make copies of this proposed methodology available, upon request, in large print and electronic file on computer disk. To schedule an appointment to review the comments and/or obtain the notice in an alternative format, contact the Office of Job Corps at (202) 693-3000 (this is not a toll-free number). You may also contact this office at the address listed below.

**FOR FURTHER INFORMATION CONTACT:** Lenita Jacobs-Simmons, Acting National Director, Office of Job Corps, ETA, U.S. Department of Labor, 200 Constitution Avenue, NW., Room N-4463, Washington, DC 20210; Telephone (202) 693-3000 (this is not a toll-free number). Individuals with hearing or speech impairments may access the telephone number

above via TTY by calling the toll-free Federal Information Relay Service at 1-(877)889-5627 (TTY/TDD).

#### **SUPPLEMENTARY INFORMATION:**

**Background:** Established in 1964, the Job Corps program is a national program administered by the Employment and Training Administration (ETA) in the Department of Labor (DOL or Department). It is the nation's largest federally-funded, primarily residential training program for at-risk youth, ages 16-24. With 125 centers in 48 states, Puerto Rico, and the District of Columbia, Job Corps provides economically-disadvantaged youth with the academic, career technical, and employability skills to enter the workforce, enroll in post-secondary education, or enlist in the military. Job Corps emphasizes the attainment of academic credentials, including a high school diploma (HSD) or a high school equivalency credential, and career technical training credentials, including industry-recognized credentials, state licensures, and pre-apprenticeship credentials.

Large and small businesses, nonprofit organizations, and Native American tribes manage and operate 97 of the Job Corps centers through contractual agreements with the Department of Labor following competitive procurement, while 28 centers are operated through an interagency agreement with the U.S. Department of Agriculture (USDA). Separate from center operation contracts, Job Corps also contracts with firms and companies, usually small businesses, through competitive procurements, to recruit new students for the program and place graduates and former enrollees into meaningful jobs, education programs, the military, or apprenticeship training. In some instances, however, Job Corps contracts with one entity to both operate a center and manage student recruitment and job placements. Job Corps also receives annual

Construction, Rehabilitation, and Acquisition (CRA) funding to build, maintain, expand, or upgrade new and existing facilities at all 125 centers.

### **Pursuing Performance Excellence**

In Fiscal Year (FY) 2011, we began an ambitious reform agenda aimed at improving the performance of Job Corps centers nationwide. This included setting higher standards for all centers, identifying chronically underperforming centers, and implementing appropriate corrective action.

As part of this reform process, Job Corps continues to undergo a rigorous and comprehensive review of its operations and management to identify changes that can be made to improve the program's effectiveness and efficiency. Job Corps has implemented a National Certification Initiative to strengthen and align existing career technical training programs to technical standards established by industries or trade organizations, which enables students to graduate with industry-recognized credentials. These credentials provide for long-term attachment to the workforce and economic mobility as Job Corps graduates advance through their careers. They also ensure that program graduates have gained the skills and knowledge necessary to compete in today's workforce. Job Corps has also expanded academic opportunities for students with the introduction of evening educational programs, as well as community college partnerships and expanded high school diploma options. Current budgetary constraints make it even more critical to ensure the program's resources are deployed in a way that maximizes results to students and taxpayers.

Job Corps has intensified and reinforced federal oversight of operations and performance outcomes for all centers. Federal program managers supervise centers through monitoring visits, desk audits, and Contractor Performance Assessment Reports during each contractor's performance period. Job Corps regional offices also conduct the Regional Office Center Assessments. Through these oversight activities, Job Corps federal program managers develop Performance Improvement Plans (PIPs) for entire centers that need improvement, or Corrective Action Plans (CAPs) to address specific aspects of operations, such as career technical training. Both PIPs and CAPs are used for continued monitoring and implemented for USDA and contract centers respectively. These oversight actions have strengthened collaboration between Job Corps, contractors, and the USDA to rectify deficiencies, and improve policy compliance and performance outcomes.

While the majority of centers meet program standards, some centers are chronically low-performing and have remained in the bottom cohort of center performance rankings for multiple years despite extensive DOL interventions including corrective measures. Given the resource intensiveness of the Job Corps model, the Administration has determined that it can no longer continue to expend resources on the small number of chronically low-performing centers that have repeatedly failed to provide participants with high-quality Job Corps programming.

For the purpose of identifying chronically low-performing centers for closure, DOL has defined "chronically low-performing centers" as those that consistently lagged in overall performance over the past five consecutive program years without evidence of significant recent performance improvement. As we explain below, the January 10, 2013 Federal Register Notice had proposed using the performance data from PY 2007-2011. Final PY 2012 data is now available and has

been published on the Job Corps website. The Department is proposing to use performance data from PY 2008-2012 in the closure methodology.

The Department is committed to selecting centers for closure in a manner that is transparent and objective. We previously solicited comments on our proposed methodology for selecting centers for closure. We have now analyzed those comments and revised the closure methodology to reflect that public feedback. Job Corps' published performance metrics were the primary consideration in the selection of centers for closure. Provided below is our revised methodology for using the Outcome Measurement System (OMS, Job Corps' internal, comprehensive performance management system. For details, please go to [jobcorps.gov](http://jobcorps.gov) – About Job Corps – Performance and Planning – Job Corps Performance Management System Overview Guide) and other factors to select proposed centers for closure. The Department is also proposing additional considerations that we will include in the closure methodology.

The Department is requesting comments on the change in the data we will use and on the additional considerations proposed for inclusion in the methodology. Interested parties may submit comments to DOL on these subjects, and on the proposed closure methodology as a whole. The Department will consider these comments as we finalize the methodology and select centers for closure.

### **Process for Selecting Job Corps Centers for Closure**

On August 14, 2012, the Office of Job Corps hosted a national Job Corps listening session, via webinar, with the Job Corps community to solicit input on the methodology factors. More than

100 Job Corps stakeholders participated in the session and provided criteria-related suggestions in the areas of performance, geographic location, local economic impact, contract budgets, facilities, and the time period for evaluating chronic low performance.

On January 10, 2013, the Office of Job Corps published a Federal Register Notice requesting public comments on a proposed methodology for selecting Job Corps centers for closure (78 FR 2284). The Department received a total of 18 public comments, which we reviewed and analyzed. As a result of this analysis, we revised the methodology factors for selection of Job Corps centers for closure, as explained below. The Department is also proposing additional considerations for inclusion in the methodology.

### **Factors for Selecting Job Corps Centers for Closure**

Provided below is a description of the revised methodology factors the Department proposes to use to select Job Corps centers for closure.

As the Department proposed in the January 10, 2013 Federal Register Notice, we propose to use the following **primary** criteria against which all centers were measured:

1. Five-year OMS performance level, including considerations for patterns of demonstrable and recent performance improvement. The OMS includes the following 14 measures:
  - High School Diploma (HSD) or General Educational Development (GED) Attainment Rate;
  - Career Technical Training (CTT) Completion Rate;



- Combination HSD or GED, and CTT Attainment Rate;
  - Average Literacy Gain;
  - Average Numeracy Gain;
  - CTT Industry-Recognized Credential Attainment Rate;
  - CTT Completer Job –Training Match/Post-Secondary Credit Placement Rate
  - Former Enrollee Initial Placement Rate;
  - Graduate Initial Placement Rate;
  - Graduate Average Hourly Wage at Placement;
  - Graduate Full-Time Job Placement Rate
  - Graduate 6-Month Follow-up Placement Rate;
  - Graduate 6-Month Average Weekly Earnings;
  - Graduate 12-Month Follow-up Placement Rate; and
2. Five-year On-Board Strength (OBS); and
  3. Five-year Facility Condition Index (FCI).

After ranking the centers based on the primary criteria, we will then apply the following additional considerations:

1. Continued availability of Job Corps services in each state, the District of Columbia, and Puerto Rico;
2. Sufficiency of data available to evaluate center performance;
3. Indication of significant recent performance improvement; and
4. Job Corps' continuing commitment to diversity.

## ***1. Five-Year Performance Levels***

Given that the Job Corps' performance metrics provide a comprehensive assessment of center performance, allow for comparison of performance among centers, and supply enough data for decision makers to determine trends over time, the OMS will be the guiding factor in selecting centers for closure. The Department believes this approach is the most equitable and transparent for both stakeholders and the public, as these published performance metrics have driven center performance and programmatic decisions for over a decade. The Department invites public comments on how the five-year performance levels have been incorporated into the closure methodology below.

The Department has determined that the closure methodology will evaluate each center's overall OMS ratings for five full program years to derive a weighted five-year average performance rating. We selected the five-year performance period for the following reasons:

- The five-year period is reasonably long enough to incorporate both the most recent performance data and relatively older data;
- It allows enough time to analyze impact of any Performance Improvement Plans (PIPs);
- It provides a stable basis for comparison, since the OMS had no significant changes over the past five years; and
- It relies on published outcomes that are familiar to the Job Corps community.

In the January 10, 2013 Federal Register Notice, the past five years of performance data we proposed using for this factor was the data from PY 2007-2011. We now propose to use the performance data for PY 2008-2012 in the closure methodology.

The Department received public comments that recommended using OMS ratings for the last 10 consecutive program years with a different weight structure to identify chronically low performing centers and excluding PY 2011 data. The comments stated that five program years was not enough time for centers to exhaust all options to improve, and 10 years would allow the assessment of a center that may have had multiple operators. In addition, the comments stated that PY 2011 performance data was impacted by Job Corps' cost saving actions taken at the end of that program year and should be excluded from the calculation.

The Department considered these comments and other options during the development of the final methodology criteria, and determined that five program years is long enough to provide a solid basis for assessing a center's performance. Additionally, Job Corps' OMS has been held fairly consistent and stable over the past five program years, with no dramatic shifts in weights, goals or measures. This allows for a strong comparison of consistent data that would be weakened considerably if the time period were extended. Finally, Job Corps' cost saving actions at the end of PY 2011 were limited to a short period of enrollment suspension in the summer, a hiring freeze, budget and spending plan reviews, moderate reductions of some centers' incremental funding, and tighter control on student travel and allowance costs. They did not have any significant impact on the PY 2011 OMS results. Similarly, the cost savings activities in PY 2012 did not appear to have a significant impact on the PY 2012 OMS performance results.

Since the PY 2012 enrollment suspension was applied to all centers, the overall improved OMS performance in PY 2012 is largely attributable to the smaller student populations that centers served and the more concentrated services they were able to receive during the suspension period.

The performance factor in the previous closure methodology was originally assigned a weight of 70% in the Federal Register Notice dated January 10, 2013. Public comments received suggested that the weights for OBS and Facility Condition Index (FCI) should be reduced as factors, allowing an increase from 70% to 90% in the performance factor. The Department agrees with public comments suggesting increasing the weighting factor for OMS from 70% to 90%, and made this change. The original OMS and OBS ratings for each of the five program years, which exceeded 100% for some centers, were normalized at one hundred percent (100%) to be consistent with the FCI data. “Normalized” means the data has been placed on a 100-point scale. The calculation formula for the final methodology also contains the normalized data for OMS.

As proposed in the January 10, 2013 Federal Register Notice, the final closure methodology weights recent performance more heavily than performance in earlier years. This approach addresses centers that may have had recent improvements in performance. To reflect this, weights are applied to each of the five program year’s performance data, with recent years receiving a greater weight than earlier years. The year-by-year weighted structure is as follows:

PY 2012	30%
PY 2011	25%
PY 2010	20%

PY 2009	15%
PY 2008	10%
Total:	100%

The calculation formula for five-year performance for the final closure methodology is as follows:

**Center's five-year weighted average rating x 90%= Overall Performance Rating**

## ***2. On-Board Strength***

On-Board Strength is an efficiency rating that demonstrates the extent to which a center operates at full capacity. Job Corps already uses this measure to assess center performance. The measure is reported as a percentage, calculated by the actual slot capacity divided by the planned slot capacity (daily number of students that a center is authorized to serve). The national goal for OBS is 100% in order to operate the program at full capacity, maximize program resources, and fulfill the mission of serving the underserved student population.

As proposed in the January 10, 2013 Federal Register Notice, this criterion of the methodology evaluates each center's end of Program Year OBS rating for the last five full program years to derive a five-year average rating. As explained above in the context of OMS data, the January 10, 2013 Federal Register Notice stated that the closure methodology would use data from the

five-year period of PY 2007-2011. Now DOL is proposing to use the OBS data from PY 2008-2012.

The Department received numerous public comments regarding OBS which can be summarized into two categories. The first group of comments suggested reducing the weight of the OBS criterion because most Job Corps centers rely on third-party admission contractors for enrollment. The second group suggested excluding the PY 2011 OBS data because it was impacted by Job Corps' cost saving actions taken at the end of PY 2011.

The Department agrees with public comments suggesting reduction of the weighting factor for OBS from 20% to 5%. Adoption of this suggestion reflects DOL's recognition that centers should not be held solely responsible for enrollment and retention of students. Reducing the weight of the OBS factor also enables the Department to strengthen its emphasis on performance, making performance the predominant factor in consideration for center closure. Further, we recognized that the June/July 2012 enrollment suspension impacted PY 2011 OBS results. To address this issue, the Office of Job Corps issued Program Information Notice 12-17 on October 1, 2012 stating that the May 31, 2012, Program Year Cumulative OBS (PY-COBS) report will be used as the basis for assessing center-level OBS performance for PY 2011. Therefore, the Department will use the May 31, 2012 PY-COBS report as the PY 2011 OBS report for calculating each center's OBS rating. In addition, we adjusted downward the relative performance goals in the OA OMS Report Card. This action had the effect of using the first 11 months of the program year as the official performance basis for PY 2011, thereby holding contractors harmless for the remaining month of OBS measurements. Additionally, since the performance basis for the center closure methodology is over a five-year period, we determined

that the absence of a single month would not distort a center's historic performance trends to any meaningful degree.

PY 2012 saw significant OBS reductions at all centers because of the enrollment suspension that lasted from January 28, 2013 through April 22, 2013. To address this issue, the Office of Job Corps issued Program Information Notice 13-14 on September 10, 2013 stating that the January 31, 2013, PY-COBS report will be used as the basis for assessing center-level OBS performance for PY 2012. Therefore, the Department will use the January 31, 2013 PY-COBS report as the PY 2012 OBS report for calculating each center's OBS rating.

The original OBS ratings for each of the five program years were normalized at one hundred percent (100%) so as to be consistent with the OMS and FCI data. The calculation formula for the final methodology also contains the normalized data for OBS.

As with the performance criterion, the revised methodology weights each of the five program year's OBS data, with recent years receiving more weight to incorporate performance improvement. The year-by-year weighted structure is as follows:

PY 2012	30%
PY 2011	25%
PY 2010	20%
PY 2009	15%
PY 2008	10%

Total: 100%

The calculation formula for five-year OBS for the final closure methodology is as follows:

**Center's five-year weighted average cumulative OBS x 5%= Overall OBS Rating**

### ***3. Facility Condition and Physical Plant***

For a program that operates 24 hours per day, seven days per week and is primarily residential, facility conditions are important. The quality of Job Corps' residential and learning facilities has a direct impact on students' experiences and, ultimately, their educational achievement. Each Job Corps center is a fully operational complex with academic and career technical training facilities, dining and recreation buildings, administrative offices, and residence halls (with the exception of solely non-residential facilities), including the surrounding owned or leased property on which the center is located.

Job Corps receives an annual appropriation for Construction, Rehabilitation, and Acquisition (CRA) that is used to improve facility conditions at Job Corps centers. To properly manage the program's facility and condition needs, Job Corps uses a Facility Condition Index (FCI) and gives each center an annual rating. This rating, which is expressed as a percentage, accounts for the value of a center's construction, rehabilitation, and repair backlog, as compared to the replacement value of the center's facilities. Facility condition affects the outcomes of the Job Corps program because good outcomes begin with facilities that contribute to a safe learning environment.



For this factor, the Department will evaluate each center's PY 2008 - PY 2012 FCI, which takes into account all construction projects completed over the same five-year period as the other two factors.

DOL received a number of public comments stating that FCI is an inappropriate factor because it is not within the control of centers. Some further contend that an FCI score five years ago has no relevance to the current facility condition and whether a center should close or not.

We acknowledge that FCI, like OBS, is not entirely under the control of the centers. We considered this during development of the proposed closure methodology. Our intent of incorporating FCI was to include a factor that would capture and recognize the importance of significant capital investments that were made on particular centers. In addition, we determined that it is in the government's best interest to consider past facility investments and future investment needs as a factor in the consideration of any center's possible closure. We have decided to lessen the impact of this factor. Accordingly, as a result of the public comments received, we reduced the FCI weighting factor from 10% to 5%. Additionally, because FCI is already expressed on a 100-point scale, normalization of this data was not necessary. We also believe that a single year's FCI value cannot adequately reflect the Government's continued capital investment in a center and a center's efforts to maintain its buildings and facilities. Therefore, we will continue to use five years' FCI results for this evaluation.

As with the performance and OBS criteria, the final methodology applies weights to each of the five program year's FCI data, with recent years receiving more weight to incorporate any recent improvement. The year-by-year weighted structure is as follows:

PY 2012	30%
PY 2011	25%
PY 2010	20%
PY 2009	15%
PY 2008	10%
Total:	100%

The calculation formula for FCI for the final closure methodology is as follows:

$$\text{Center's five-year weighted average FCI rating} \times 5\% = \text{Overall FCI Rating}$$

### Ranking Centers for Closure

Applying the factors above will yield an overall rating for each center. This will allow DOL to create a list that ranks all centers, with the lowest performing centers receiving the lowest ratings.

The calculation formula for the revised methodology is as follows:

Overall	+	Overall OBS	+	Overall FCI	=	Overall Rating for Primary
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Performance		Rating (5%)		Rating (5%)		Selection Factors
Rating (90%)						

#### ***4. Other Considerations included in the Closure Methodology***

##### **a. Job Corps Services in Each State, Puerto Rico, and the District of Columbia.**

In addition to the above three primary criteria, another consideration in the closure methodology explained in the January 10, 2013 Federal Register Notice involved an adequate level of Job Corps services remaining available in each state (Job Corps' goal is to have at least one center operating in each state), the Commonwealth of Puerto Rico, and the District of Columbia. One comment stated that this factor would allow center location to trump center performance, and it stated that local and regional labor markets do not conform to state boundaries. We continue to believe that it is in the best interest of the Job Corps' target population to ensure that this model is available in each state. Therefore, in making the decision about which centers to close, we will maintain at least one Job Corps center in each state, the Commonwealth of Puerto Rico, and the District of Columbia, and will take into consideration whether a center's closure would have a disproportionate impact on students in any one state.

**b. Sufficiency of Data Available to Evaluate Center Performance.** The centers in Ottumwa, Milwaukee, Pinellas, Denison, Long Beach, Gulfport and New Orleans are not included for consideration for closure. For each center, there is not enough OMS data to evaluate the center's performance over the full five-year period for varying reasons. Those reasons include: new centers opened later during the five-year period (Ottumwa and Milwaukee);

exclusion from OMS evaluation due to the Center for Excellence (CFE) pilot status (Pinellas County, Denison, and Long Beach); and center closure due to Hurricane Katrina (Gulf Port and New Orleans). No public comments were received regarding application of this criterion.

**c. Indication of Significant Recent Performance Improvement.** The Department has determined that performing in the top half of centers in PY 2013 should be taken as evidence of significant recent performance improvement. Therefore, we propose that a center will not be considered for closure if there is evidence of significant improvement in a center's available PY 2013 performance data. This consideration was not previously proposed, and therefore, we invite public comment on it.

**d. Job Corps' Commitment to Diversity.** The closure methodology will also consider Job Corps' commitment to diversity. Job Corps currently serves a diverse student population and remains committed to serving disadvantaged youth from all backgrounds. In making final closure decisions, we will consider whether a center's closure would result in a significant reduction in student diversity within the overall Job Corps system. No public comments were received regarding Job Corps' commitment to diversity or application of this criterion.

The Department will accept comments for 20 days, beginning on the date of publication of this Notice. After we have received and analyzed any comments, we will finalize the methodology for center closure.

The Department will implement the selection and closure process pursuant to the center closure requirements outlined in the WIA at section 159(g) and as stipulated in the DOL/USDA

Interagency Agreement. We anticipate that it will take several months to execute closure of a center, and possibly longer for centers with larger student populations or Civilian Conservation Centers (CCCs).

### **The Process for Closing Job Corps Centers, as Outlined in the Workforce Investment Act**

We will ensure that our process for closing Job Corps centers will follow the requirements of Section 159(g) of the WIA, which include the following:

- the proposed decision to close a particular center is announced in advance to the general public through publication in the Federal Register or other appropriate means;
- a reasonable comment period, not to exceed 30 days, is established for interested individuals to submit written comments to the Secretary once a decision to close a particular center is made; and
- the Member of Congress who represents the district in which such center is located is notified within a reasonable period of time in advance of any final decision to close the center.

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Portia Wu,

Assistant Secretary for Employment and Training.

Billing Code: 4510-FT-P

[FR Doc. 2014-15275 Filed 06/27/2014 at 8:45 am; Publication Date: 06/30/2014]